

GENERAL AGREEMENT ON TARIFFS AND TRADE

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OPERATION OF PART IV OF THE GENERAL AGREEMENT

Statements by Governments

Addendum

FINLAND

The provisions of Part IV of the General Agreement relate to complex problems of importance to all contracting parties. Great attention should therefore be paid to the efforts to ensure a satisfactory implementation of its provisions.

In trying to form an assessment of the operation of the provisions of Part IV it must be recognized that the CONTRACTING PARTIES are and will be facing considerable difficulties in the process of eliminating tariff and non-tariff barriers on products of export interest to developing countries. As these problems are well-known and have been the subject of extensive discussion *inter alia* in the Ad Hoc Group on Assessment of Kennedy Round Results there is no need to expand on them in this context. Although these problems will lose much of their significance if a general preferential scheme is introduced, they still constitute a field where precise information on the specific export interests of developing countries could effectively contribute to a more purposeful implementation of Part IV.

In attempting to evaluate the achievements under the provisions of Part IV, it may be useful to draw attention to the fact that one of the main provisions in Article XXXVII is of a negative nature, i.e. imposes upon developed contracting parties the obligation to refrain from trade policy or fiscal measures which would have a negative effect on exports from developing contracting parties. There are no means to evaluate the degree to which this provision has been observed. On the other hand cases of non-observance of this provision are apt to receive immediate attention. Natural as this may be, it is still often interpreted as a sign of a regrettable ineffectiveness in the provisions of Part IV, and liable to diminish the faith in the possibilities of the General Agreement to cope with the trading difficulties of developing contracting parties. To deal with this situation it might be worthwhile to explore the possibilities for an elaboration of a consultation machinery under the provisions of Article XXXVII, paragraph 2 or other institutional arrangements under Article XXXVIII, paragraph 2(f). Experiences gained in this process could later serve as a useful reference for developed countries when deciding on their import policy as regards products of interest to developing countries.

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The work programme adopted at the twenty-fourth session and the conclusions reached at the twenty-fifth session of the CONTRACTING PARTIES recognize the need for detailed examination of the difficulties encountered in the implementation of this part of the General Agreement. The extensive discussions in the Committee on Trade and Development have also pointed to the need for a detailed identification of obstacles affecting the exports of the developing countries. At the last session of the Committee a number of suggestions were preliminarily discussed. It is the understanding of the Finnish Government that at the forthcoming session of the Committee a thorough examination of those suggestions will be undertaken. Only on the basis of such an examination and review can a decision on the procedure best suited to pursue the examination in a more concrete manner be taken.

The Government of Finland on its part is ready to participate actively in the work of finding ways to overcome the practical difficulties encountered in the implementation of Part IV of the General Agreement.